



ORGANIC LAW



Banco de Portugal

EUROSYSTEM



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CHAPTER I

Nature, head office and tasks

Article 1

The Banco de Portugal, hereinafter called the “Bank”, is a public-law legal person with administrative and financial autonomy and own property.

Article 2

The Bank has its head office in Lisbon and it may have subsidiaries, branches, delegations, or agencies elsewhere as well as delegations abroad.

Article 3

1 – The Bank, as the central bank of the Portuguese Republic, shall be an integral part of the European System of Central Banks, hereinafter called “ESCB”.

2 – The Bank shall pursue the objectives and shall participate in the performance of the tasks entrusted to the ESCB and shall be subject to the provisions of the Statute of the ESCB and of the European Central Bank, hereinafter called “ESCB/ECB Statute”, acting in accordance with the guidelines and instructions of the European Central Bank, hereinafter called “ECB”, pursuant to the same Statute.

CHAPTER II

Capital, reserves and provisions

Article 4

1 – The capital of the Bank shall be €1,000,000 and it may be raised, namely by incorporation of reserves, pursuant to a decision of the Board of Directors.*

2 – The decision on the capital increase is subject to authorisation by the Finance Minister.

** As amended by Decree-Law No. 118/2001 of 17 April 2001*

Article 5

1 – The Bank shall have a reserve with no fixed ceiling formed out of 10 per cent of the profit for each fiscal year assessed in accordance with Article 53.

2 – In addition to the reserve mentioned in the foregoing paragraph, the Board of Directors may establish other reserves and provisions namely to meet depreciation risks or losses to which certain types of assets or operations are particularly liable.

CHAPTER III

Currency issue

Article 6

1 – Under the terms of Article 106 of the Treaty establishing the European Community, the Bank shall have the right to issue banknotes, which shall be legal tender and have discharging power.*

2 – The Bank shall put into circulation metal coins, including commemorative coins.

3 – The metal coins shall be put into circulation through the Bank and under its requisition.

** As amended by Decree-Law No. 118/2001 of 17 April 2001*

Article 7

1 – The Bank shall seize all the notes presented to it, which are liable to suspicion of counterfeiting, forging, or change in face value and shall draw up a writ with the identification of the notes and of their bearer as well as the grounds of suspicion.

2 – The writ mentioned in the foregoing paragraph shall be forwarded to the Criminal Police for the purpose of the relevant proceedings.

3 – The Bank may resort directly to any authority or agent thereof, for the purpose envisaged in this Article.

Article 8*

1 – Banknotes and metal coins denominated in euro and in a foreign currency, which have been the object of obvious or presumed forgery, when presented at credit institutions or financial companies within the scope of their activity, namely for exchange purposes, must be withheld and forthwith sent to the

authorities appointed for the purpose in instructions of the Banco de Portugal and in compliance with any other provisions laid down by this Bank.

** As amended by Decree-Law No. 50/2004 of 10 March 2004*

2 – The provisions of the foregoing paragraph shall be applicable to other entities authorised to carry out exchange operations.

Article 9*

1 – The reproduction of banknotes denominated in euro, in full or in part, and regardless of the technical process used, as well as the distribution of these reproductions, even if limited to certain persons, can only be made in the cases and under the terms and conditions expressly provided for by the European Central Bank.

2 – In the case of banknotes denominated in escudo, the reproduction and distribution referred to in the foregoing paragraph can only be made under the terms allowed by the Banco de Portugal, on a general or case-by-case basis.

3 – The mere manufacture or possession of plates, matrices, software or other technical means, enabling the reproduction of banknotes, infringing the provisions laid down in this Article, shall be prohibited.

** As amended by Decree-Law No. 50/2004 of 10 March 2004*

Article 10*

1 – The following situations, when they do not constitute a criminal offence, are considered as breaches of regulations:

- a) Violation of the provisions laid down in paragraph 1 of Article 8, which shall be punishable by a fine ranging from €1,500 to €3,500 or from €3,000 to €35,000, depending on whether the agent is a natural or legal person;
- b) Infringement of the provisions laid down in paragraph 2 of Article 8, which shall be punishable by a fine ranging from €1,000 to €3,000 or from €2,500 to €25,000, depending on whether the agent is a natural or legal person;

- c) Non-compliance with the provisions laid down in paragraphs 1 to 3 of Article 9, which shall be punishable by a fine ranging from €2,000 to €3,500 or from €3,000 to €30,000, depending on whether the agent is a natural or legal person.

2 – Where the breaches of regulations defined in this Article are committed by a natural person in the performance of subordinated work, as a member of the board of a legal person or as the legal or voluntary representative of a third party, the employer, the legal person or the represented person can be cumulatively held responsible as infractor.

3 – Attempt and negligence shall be punishable.

4 – Banco de Portugal shall be responsible for the proceedings on the breaches of regulations envisaged in this Article as well as for the enforcement of the applicable penalties.

5 – The general law on breaches of regulations shall be subsidiarily applicable.

** As amended by Decree-Law No. 50/2004 of 10 March 2004*

Article 11*

As an additional penalty for the breaches of regulations envisaged in the foregoing Article, in accordance with the provisions laid down in paragraph 5 of the same Article, Banco de Portugal may seize and destroy the reproductions, plates, matrices, holograms, software and other technical means, instruments and objects mentioned in Article 9.

** As amended by Decree-Law No. 50/2004 of 10 March 2004*

CHAPTER IV

Functions

SECTION I

General Provisions

Article 12*

Without prejudice to the requirements derived from its participation in the ESCB it shall be particularly incumbent upon the Bank to:

- a) Manage the foreign assets of the country or any other assets entrusted to it;

- b) Act as intermediary in the international monetary relations of the State;
- c) ensure the stability of the national financial system, performing for this purpose, in particular, the functions of lender of last resort and national macro-prudential authority;
- d) participate in the European system for the prevention and mitigation of risks to financial stability and in other bodies pursuing the same goal;
- e) Advise the Government in the economic and financial fields, within the scope of its tasks.

** As amended by Decree-Law No. 142/2013 of 18 October*

Article 13

1 – The Bank shall ensure the collection and compilation of the monetary, financial, foreign exchange and balance of payments statistics, particularly, within the scope of its co-operation with the ECB.

2 – The Bank may require of any public or private body the direct supply of whatever information deemed necessary for compliance with the provisions of the foregoing paragraph or with the tasks entrusted to it.

Article 14

It shall be incumbent on the Bank to regulate, oversee and promote the smooth operation of payment systems, namely within the scope of its participation in the ESCB.

SECTION II

Monetary and exchange rate policy

Article 15

Within the scope of its participation in the ESCB, the Bank shall be responsible for the guidance and control of the money and foreign exchange markets.

Article 16

1 – In order to guide and control the money and foreign exchange markets, pursuant to the rules adopted by the ECB, the Bank shall:

- a) Adopt general measures or intervening, whenever necessary, to ensure compliance with the monetary and foreign exchange policy objectives, particularly as regards the behavior of the interest and exchange rates;
- b) Receive minimum reserves from the institutions subject thereto and co-operating in the implementation of other monetary control operational methods to which the ECB decides to resort;
- c) Lay down the conditions under which the institutions authorised to deal in foreign exchange may hold foreign assets or assume foreign liabilities.

2 – Without prejudice to the penalties envisaged by law, the Bank may adopt the measures required to prevent or halt practices contrary to the rules adopted under the foregoing paragraph as well as to correct the effects of such practices.

SECTION III

Macro-prudential policy

Article 16-A*

1 – As the national macro-prudential authority, the Bank shall be responsible for defining and conducting the macro-prudential policy, in particular by identifying, monitoring and assessing systemic risks, and by proposing and adopting measures to prevent, mitigate or reduce such risks in order to strengthen the resilience of the financial sector.

2 – The Bank may issue orders, warnings and recommendations to public or private entities and authorities in order to achieve the objectives set out in the foregoing paragraph, pursuant to the applicable legislation.

3 – For the purposes of exercising the powers referred to in this article, the Bank shall establish cooperation mechanisms with the other public authorities and with the other financial supervisors, pursuant to the applicable legislation.

** Added by Decree-Law No. 142/2013 of 18 October*

SECTION IV

Supervision

Article 17*

1 – The Bank shall be responsible for supervising credit institutions, financial companies and other entities subject to it by law, in particular by issuing directives to guide their actions, providing credit risk centralisation services, and applying preventive and corrective intervention measures under the legislation regulating financial supervision.

2 – The Bank shall also be responsible for participating, within the framework of the Single Supervisory Mechanism, in the definition of principles, standards and procedures for the prudential supervision of credit institutions, and for carrying out this supervision under the terms and subject to the specific requirements laid down in the applicable legislation.

** As amended by Decree-Law No. 142/2013 of 18 October*

SECTION V

Resolution

Article 17-A*

The Bank shall be responsible for performing the functions of national resolution authority, including, among other powers laid down in the applicable legislation, those of drawing up resolution plans, applying resolution measures, and arranging for the removal of potential obstacles to the application of such measures, all under the terms and subject to the limits laid down in the applicable legislation.

** Added by Decree-Law No. 142/2013 of 18 October*

SECTION VI

Relations between the State and the Bank

Article 18

1 – Overdraft facilities or any other type of credit facility with the Bank in favour of the State or other State-dependent services or bodies, other public-law legal persons and public undertakings, or any other bodies on which the State, the Autonomous Regions or local authorities may, directly or indirectly, have a dominant influence, shall be prohibited.

2 – The Bank shall not guarantee any commitments of the State or of any other body mentioned in the foregoing paragraph and shall not directly purchase debt instruments issued by the State or by the same bodies.

Article 19

The provisions of the foregoing article shall not apply to:

- a) Credit institutions and financial companies, albeit with public capital, which shall benefit from a treatment similar to that enjoyed by credit institutions and financial companies in general;
- b) The financing of the obligations of the State towards the International Monetary Fund;
- c) The holding, by the Bank, of metal coins issued by the State and entered to the credit of the latter, as regards the part not exceeding 10 per cent of the metal coins in circulation.

SECTION VII

International monetary relations

Article 20

The Bank is the foreign exchange authority of the Portuguese Republic.

Article 21

In its capacity as exchange authority, the Bank shall be particularly responsible for the:

- a) Licensing and controlling of external payments whenever required in accordance with the Treaty establishing the European Community;
- b) Definition of the principles governing gold and foreign exchange operations.

Article 22

1 – The Bank, either in its own name or on behalf and in the name of the State, may conclude clearing and payments agreements or any other contracts for the same purpose with public or private kindred institutions located abroad.

2 – With a view to the management of its foreign assets, the Bank may rediscount credit instruments from its own portfolio, pledge assets as security, and carry out abroad any other adequate operations.

Article 23

Subject to the approval of the ECB, the Bank may hold stakes in the capital of international monetary institutions and participate in their managing bodies.

SECTION VIII

Operations of the Bank

Article 24

1 – In order to meet the objectives and to perform the ESCB tasks, the Bank may carry out any operations justified by virtue of its capacity as central bank, namely the following:

- a) To rediscount and discount bills of exchange, promissory notes, invoice statements, warrants and other similar credit instruments;
- b) To buy and sell public debt securities, on the secondary market, without prejudice to Article 18.2;
- c) To grant loans or to open current account credits to credit institutions and financial companies, in such forms as the Bank may deem appropriate, and duly secured by collateral;
- d) To take demand deposits from the State;
- e) To take demand or time deposits from credit institutions, financial companies and other financial institutions;
- f) To take deposits of securities issued by the State and held by the institutions mentioned in e) above;
- g) To carry out all and any operations in gold and foreign exchange;
- h) To issue securities or carry out repo operations for the purpose of intervening in the money market;

- i) To carry out any other banking operations not specifically forbidden by this Organic Law.
- 2 – The Bank may, in the modes it deems advisable, pay interest on demand or time deposits in the following instances:
- a) Operations envisaged under d) and e) of the foregoing paragraph;
 - b) Compulsory deposit of minimum reserves of credit institutions, financial companies and other institutions subject to its supervision;
 - c) Operations with foreign or international institutions within the scope of international co-operation in the monetary, financial and exchange fields;
 - d) Reciprocity envisaged in bilateral agreements or contracts concluded by the State or by the Bank;
 - e) Express stipulation in multilateral clearing and payments agreements.

Article 25

The Bank shall specifically not:

- a) Rediscount, in the country, credit instruments from its own commercial portfolio representing operations carried out under Article 24.1.(a);
- b) Grant overdraft facilities or credit collateralized under forms, which run counter to the provisions of this Organic Law;
- c) Promote the setting-up of credit institutions, financial companies or any other companies, nor hold their capital stock, save as otherwise provided for in this Organic Law or authorised by special provision, or for the repayment of credits, but in no circumstances as a partner with unlimited liability;
- d) Own real estate apart from the premises required for the performance of its tasks or for social purposes, unless as a consequence of assignment of property by debtors, *datio in solutum*, judicial sale or other legal means of complying with obligations or intended to ensure such compliance, in which cases the Bank shall provide for their disposal as soon as possible.

CHAPTER V
Organs of the Bank

SECTION I
General Provisions

Article 26

The organs of the Bank shall be the Governor, the Board of Directors, the Board of Auditors, and the Advisory Board.

Article 27*

1 – The Governor and the other members of the Board of Directors of the bank shall be chosen from among persons of recognized standing, competence and management experience, as well as knowledge in monetary and banking matters and appointed by means of a resolution of the Cabinet, upon proposal of the Finance Minister.

2 – The Governor and the other members of the Board of Directors shall be independent in accordance with the Statute of the European System of Central Banks and of the Central Bank (ESCB/ECB) and shall not seek or take instructions from Community institutions, the State sovereign bodies or any other institutions.

** As amended by Decree-Law No. 39/2007 of 20 February 2007*

SECTION II
Governor

Article 28

1 – It shall be incumbent upon the Governor:

- a) To carry out the tasks of member of the Governing Council and of the General Council of the ECB, pursuant to the provisions laid down in the Treaty establishing the European Community and in the ESCB/ECB Statute;
- b) To represent the Bank;
- c) To act on behalf of the Bank with foreign or international institutions;

- d) To supervise the co-ordination and dynamization of the activity of the Board of Directors and to call the meetings thereof;
- e) To preside any meeting of committees set up by the Board of Directors;
- f) To initial the general books, for which purpose a facsimile of his signature may be used;
- g) To exercise all other powers legally entrusted to him.

2 – The Governor may, by means of a minute of the Board of Directors, under the terms of Article 34.2, delegate part of his powers to the Vice-governors or Directors as well as appoint, among them, one person to replace him, in the performance of the tasks referred to in a) of the foregoing paragraph.

Article 29

It shall be generally incumbent on the Vice-governors to assist the Governor and specifically to exercise the powers delegated to them by the latter, without prejudice to all other powers legally entrusted to them.

Article 30

1 – Whenever serious interests of the country or of the Bank are at stake and it proves impossible to convene the Board of Directors, due to urgent need, for lack of quorum, or any other justified reason, the Governor shall have full powers to act in all matters required for the accomplishment of the purposes assigned to the Bank and which fall within the competence of that Board.

2 – Before third parties, including notaries, registrars, and other public office holders, the signature of the Governor, alleging the situation envisaged in the foregoing paragraph, shall be a presumption of the impossibility to hold a meeting of the Board of Directors.

Article 31

1 – The Governor, if he is absent or prevented, shall be replaced in the following way and order:

- a) By the senior Vice-governor or, in equal circumstances, by the oldest in age;

b) By the senior Director or, in equal circumstances, by the oldest in age.

2 – The substitution rule laid down in the foregoing paragraph shall apply to vacancies.

3 – Before third parties, including notaries, registrars, and other public office holders, the signature of a Vice-governor or of a Director, alleging the situations envisaged in the foregoing paragraphs, shall be a presumption of the aforesaid absence, prevention, or vacancy.

Article 32

1 – The Governor shall have a casting vote at the meetings which he chairs.

2 – The vote in the affirmative of the Governor shall be required for all the decisions taken by the Board of Directors or by Executive Committees, which, in his motivated judgement, may affect either his decision-making autonomy in his position as member of the Governing Council and of the General Council of the ECB or the compliance with the obligations of the Bank as an integral part of the ESCB.

SECTION III

Board of Directors

Article 33

1 – The Board of Directors shall consist of the Governor, who shall be the Chairman, of one or two Vice-governors, and of three to five Directors.

2 – The members of the Board of Directors shall be in office for a term of five years, renewable once for an equal term, by means of a resolution of the Cabinet.*

3 – The members of the Board of Directors shall be irremovable from office; they may only be relieved from office should any of the circumstances envisaged in Article 14.2 of the ESCB/ECB Statute occur.*

4 – The relief from office mentioned in the foregoing paragraph shall be made by means of a resolution of the Cabinet, upon proposal of the Finance Minister.*

5 – In accordance with Article 14.2 of the ESCB/ECB Statute, the Governor may institute proceedings against such a relief from office decision.*

6 – The members of the Board of Directors shall vacate office upon expiry of their term, or due to permanent incapacity, resignation or legal incompatibility.*

** As amended by Decree-Law No. 39/2007 of 20 February 2007*

Article 34

1 – The Board of Directors shall be responsible for all the acts required to achieve the purposes assigned to the Bank which do not fall within the exclusive competence of other bodies.

2 – The Board of Directors may, by means of a minute, delegate powers to one or more of its members or to employees of the Bank and authorise the subdelegation of such powers, establishing, in each case, the relevant limits and conditions.

Article 35

1 – The Board of Directors, on a proposal from the Governor, shall assign to its members responsibilities for one or more sectors comprising one or more services of the Bank.

2 – The assignment of a sector implies the delegation of powers within the limits and under the conditions to be established on the occasion of the assignment.

3 – The allocation of sectors shall not waive the duty, incumbent upon all the members of the Board of Directors, to follow and become acquainted with the general affairs of the Bank and to submit proposals concerning any of them.

Article 36

1 – The Board of Directors shall meet:

- a) Regularly, at least once a week, save as otherwise provided for by the Governor and accepted by unanimity by the acting members;
- b) Extraordinarily, whenever convened by the Governor.

2 – In order to make valid decisions, the Board meetings must be attended by the absolute majority of the acting members.

3 – For the purpose of the foregoing paragraphs, the members of the Board on duty outside the head office or prevented due to illness shall not be

considered acting members.

4 – The decisions of the Board shall be taken by a majority vote of the attending members, no abstentions being allowed.

Article 37

1 – The Board of Directors may create standing or temporary Executive Committees as deemed necessary to the decentralization and good operation of the services.

2 – The Board of Directors may delegate part of its powers to the Executive Committees.

Article 38

1 – All matters dealt with at the meetings of the Board of Directors and of the Executive Committees shall be mentioned briefly but clearly in the relevant minutes.

2 – The minutes shall bear the signatures of all the members of the Board of Directors or of the Executive Committees who attended the meeting and shall be undersigned by the secretary.

3 – The attendants at the meeting may dictate a summary of their participation to be recorded in the minutes and may vote “defeated” as to the decisions with which they disagree.

Article 39*

Appeals or law actions provided for by the applicable legislation on procedure in contentious administrative matters, including those intended to obtain the declaration of illegality of regulatory rules, may be filed against any acts adopted, in the exercise of public authority functions, by the Governor, the Vice-governors, the Board of Directors and other bodies of the Bank, or in the use of powers delegated by them.

** As amended by Decree-Law No. 118/2001 of 17 April 2001*

Article 40*

The members of the Board of Directors shall:

- a) Be entitled to the remuneration established annually by a salary committee comprising the Finance Minister or his representative, who will chair, the Chairman of the Board of Auditors and a former governor appointed for that purpose by the Advisory Board; such remuneration shall not include any variable component;
- b) Be awarded the same social benefits as the employees of the Bank, under the terms implemented by the salary committee, except for the benefits arising from occupational pension schemes, retirement, disablement and survivors pensions;
- c) Benefit from the social protection regime to which they were entitled on the date of the respective appointment or, in the absence of such a regime, from the general social security regime.

** As amended by Decree-Law No. 39/2007 of 20 February 2007*

SECTION IV

Board of Auditors

Article 41*

1 – The Board of Auditors shall consist of three members appointed by the Finance Minister.

2 – One of the members shall be appointed as Chairman, with a casting vote, another shall be a chartered accountant, and the third shall be a person of recognized competence in economic matters.

** As amended by Decree-Law No. 39/2007 of 20 February 2007*

Article 42

1 – The members of the Board of Auditors shall be in office for a term of three years, renewable once for an equal period by means of a decision of the Finance Minister, in accordance with paragraph 1 of the foregoing article.*

2 – The functions of the Board of Auditors may be discharged jointly with other non-conflicting professional duties.

** As amended by Decree-Law No. 39/2007 of 20 February 2007*

Article 43

- 1 – The Board of Auditors shall be responsible for:
- a) Monitoring the business of the Bank and the observance of the laws and regulations applicable thereto;
 - b) Examining the periodic statements submitted by the Board of Directors during its term of office;
 - c) Issuing its opinion on the budget, the balance sheet, and the annual accounts;
 - d) Examining the books, vaults, and safes of the Bank whenever it deems convenient, subject to the appropriate security measures;
 - e) Drawing the attention of the Governor or of the Board of Directors to any matter which it deems should be considered, and giving its opinion on any subject submitted to it by those bodies.
- 2 – The Board of Auditors may be assisted by any Bank departments or officials it chooses.

Article 44

- 1 – The Board of Auditors shall meet regularly once a month and extraordinarily whenever meetings are called by its Chairman.
- 2 – To be valid, the decisions of the Board of Auditors shall require a quorum of the absolute majority of its acting members.
- 3 – The decisions of the Board of Auditors shall be taken by a majority vote of the attending members, no abstentions being allowed.
- 4 – The provisions of Article 38 shall apply to the minutes of the Board of Auditors.
- 5 – The members of the Board of Auditors shall be entitled to a monthly remuneration established by the Finance Minister, which shall not include any variable component.*

** As amended by Decree-Law No. 39/2007 of 20 February 2007*

Article 45

The members of the Board of Auditors may participate in the meetings of the Board of Directors, with no voting power; the presence of one of them in rotation shall be compulsory at regular meetings.

Article 46

Without prejudice to the powers of the Board of Auditors, the accounts of the Bank shall also be audited by external auditors, pursuant to the provisions laid down in Article 27.1 of the ESCB/ECB Statute.

SECTION V

Advisory Board

Article 47

1 – The Advisory Board shall consist of the Governor of the Bank, who shall be the Chairman, and the following members:

- a) The Vice-governors;
- b) The former Governors;
- c) Four personalities of a recognized competence in economic, financial and business matters;
- d) The Chairman of the Portuguese Association of Banks;
- e) The Chairman of the Public Credit Management Institute;
- f) A representative of each of the Autonomous Regions of the Azores and Madeira, to be appointed by the competent self-government bodies;
- g) The Chairman of the Board of Auditors of the Bank.

2 – The members mentioned in c) above shall be appointed by means of a resolution of the Cabinet, upon proposal of the Finance Minister, for a term of three years, renewable once for an equal period.*

3 – The members of the Advisory Board shall not be remunerated, without prejudice to the payment of mission allowances and attendance fees.*

4 – Whenever deemed convenient, the Chairman of the Advisory Board may invite certain entities or sectors of activity to be represented at their meetings, as well as suggest to the Government the attendance of officials from public bodies or services competent in the matters to be appraised, but in any case with no voting power.

** As amended by Decree-Law No. 39/2007 of 20 February 2007*

Article 48

It shall be incumbent on the Advisory Board to issue its non-binding opinion on:

- a) The annual report of the Bank, before its release;
- b) The measures taken by Bank within the scope of its functions;
- c) The matters referred thereto by the Governor or by the Board of Directors.

Article 49

The Advisory Board shall meet regularly once every six months and extraordinarily whenever convened by the Governor.

CHAPTER VI

Organisation of the Bank's departments

Article 50

The Board of Directors shall decide on the structure and operation of the Bank's departments and shall draw up the necessary internal regulations.

Article 51

The subsidiaries, branches, delegations, and agencies shall be responsible, under the direction, control, and supervision of the Board of Directors, for the discharge, in their respective areas, of the duties assigned thereto.

CHAPTER VII

Budget and Accounts

Article 52

- 1 – An operating budget shall be drawn up every year.
- 2 – The annual budget shall be forwarded to the Finance Minister not later than November 30 of the preceding year.

Article 53

1 – The result for the fiscal year shall be assessed by deducting from the total income and other profit attributable to the fiscal year, the amounts corresponding to the following costs:

- a) Annual operating and administrative costs;
- b) Annual appropriations for the building up of, or increase in, provisions for the coverage of asset depreciation risks, or emergence of other contingencies that must be handled, as well as for the building up of a special reserve related to gains in gold sale operations, under the terms defined by the Board of Directors*;
- c) Special appropriations to the Pension Fund.
- d) Extraordinary profits and losses.

2 – The profit for the fiscal year, assessed according to the foregoing paragraph, shall be distributed as follows:

- a) 10 per cent to the legal reserve;
- b) 10 per cent to other reserves to be decided by the Board of Directors;
- c) The remainder to the State, as dividends, or to other reserves proposed by the Board of Directors and approved by the Finance Minister.

** As amended by Decree-Law No. 50/2004 of 10 March 2004*

Article 54

1 – Not later than March 31, the Bank shall submit the annual report, balance sheet, and accounts referred to the last day of the previous year for the Finance Minister's approval, after discussion and appraisal thereof by the Board of Directors, with the opinion of the Board of Auditors.

2 – Unless a decision to the contrary is given by the Finance Minister, the report, balance sheet, and accounts shall be considered approved thirty days after the date of their receipt.

3 – The report, balance sheet, and accounts shall be published in the Official Gazette within thirty days after their approval.

4 – After the presentation of the report, balance sheet and annual accounts, the Governor shall inform the Parliament, through the Standing Committee on Economy, Finance and Planning, on the monetary and exchange rate policy stance and guidelines.

5 – The Bank shall not be subject to the financial system governing the autonomous funds and services of the Public Sector.

6 – The Bank shall not be subject to the prior control of the Court of Auditors, nor to its successive control in the issues relating to its participation in the performance of the tasks entrusted to the ESCB.

7 – The provisions of the foregoing paragraph shall be applicable to the Funds operating at the Bank or in whose management the Bank participates.

Article 55*

The Bank shall publish monthly and in accordance with the provisions laid down in subparagraph b) of paragraph 3 of Article 59 a synopsis of its assets and liabilities.

** As amended by Decree-Law No. 50/2004 of 10 March 2004*

CHAPTER VIII

Staff

Article 56

1 – The staff of the Bank shall be subject to the legal regulations of the individual labour contract.

2 – The Bank may sign collective labour regulation instruments, under the terms of the general law, for whose purpose its legitimate representatives shall be the members of the board of directors or the holders of a written mandate, expressly entrusted with contracting powers.

3 – The staff of the Bank shall benefit from the social security scheme and from the other social benefits, established in the collective labour regulation instruments of the banking sector.

Article 57

1 – The Board of Directors, bearing in mind the specific nature of the functions entrusted to the Bank, shall define the personnel policy after hearing the institutional bodies of representation of the workers.

2 – The Board shall provide for the instruments required for the proper execution and disclosure of the personnel policy, defined under the foregoing paragraph.

Article 58

1 – Within the scope of the Bank's social action, there exists a welfare fund with the appropriations which the Board of Directors decides to allot thereto so as to ensure the achievement of its purpose.

2 – The welfare fund shall be governed by the regulations approved by the Board of Directors and shall be managed by a committee appointed by the said Board, with delegated powers for the purpose, and which will include representatives of the workers' committee of the Bank.

CHAPTER IX

General and transitional provisions

Article 59

1 – The Bank shall be bound by the signature of the Governor or of two other members of the Board of Directors and of whomsoever is empowered thereto under Articles 28.2, 31.1, 31.2 and 34.2.

2 – The Notices of the Banco de Portugal shall be signed by the Governor and published in Series II of the Official Gazette.*

3 – It shall be incumbent on the Bank to issue an official bulletin, intended to publish:**

- a) the instructions issued by the Bank;

b) other acts that, pursuant to the law, are deemed to be published.

** As amended by Decree-Law No. 39/2007 of 20 February 2007*

*** As amended by Decree-Law No. 118/2001 of 17 April 2001*

Article 60

The members of the Board of Directors, Board of Auditors, and Advisory Board, as well as all the staff of the Bank are bound to secrecy under the terms of the law.

Article 61

1 – Unless when representing the Bank or its staff, the members of the Board of Directors and the staff shall neither be members of the supervisory and managing bodies of other credit institutions, financial companies or any other institution subject to the Bank's supervision, nor perform any other duties therein.

2 – Without prejudice to other legally envisaged incompatibilities or impediments, the members of the Board of Directors shall not perform any remunerated duties outside the Bank, except lecturing at Universities, providing it does not interfere with their duties and authorisation is given by the Finance Minister; they also shall not be members of the supervisory and managing bodies of any company, unless when representing the Bank's interests and if duly authorised by the Board of Directors.*

** As amended by Decree-Law No. 39/2007 of 20 February 2007*

Article 62

Without prejudice to the provisions laid down in Article 39, it will be incumbent on the Judicial Courts to arbitrate any disputes in which the Bank is one of the parties, including the proceedings to determine the civil liability towards third parties for acts of the Bank's bodies, as well as the assessment of the civil liability of the members of such bodies towards the Bank.

Article 63

1 – The Chart of Accounts of the Bank shall be approved by the Finance Minister, on a proposal from the Board of Directors after hearing the Board of Auditors.

2 – Decree-Law No. 23/93 of 27 January 1993 shall remain in force up to the date of the approval mentioned in the foregoing paragraph.

Article 64

1 – In all matters not foreseen in the present Organic Law and in the regulations adopted for its implementation, the Bank, except for the provisions of the following paragraph, shall be governed by the legal system dealing with the activity of credit institutions, where applicable, and by other rules and principles of private law; matters related with the members of the Board of Directors shall also be governed by the provisions of the Public Manager Statute (*Estatuto do Gestor Público*).*

2 – In the exercise of public authority powers, the provisions of the Code of Administrative Proceedings, as well as other general rules and principles relative to administrative acts of the State, shall be applicable to the Bank.**

3 – The legal system applicable to public corporations shall be applicable to the procedures for the acquisition and sale of goods and services of the Bank.**

4 – The Bank shall be subject to commercial register under the terms of the general law, with the changes deemed necessary.**

** As amended by Decree-Law No. 39/2007 of 20 February 2007*

*** As amended by Decree-Law No. 118/2001 of 17 April 2001*

Article 65*

Without prejudice to the exclusive powers of the European Central Bank to authorise the issue, Articles 6 to 9 of the Organic Law of the Bank, with the wording of Decree-Law No. 337/90 of 30 October 1990, shall remain in force up to 28 February 2002, from which date they shall be deemed revoked.

** As amended by Decree-Law No. 118/2001 of 17 April 2001*



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